

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - - x

UNITED STATES OF AMERICA :

- v. - :

FRANCISCO PERALTA, :  
a/k/a "Frank," :

Defendant. :

- - - - - x

**10 CRIM 324**  
10 Cr.

COUNTS ONE THROUGH TWELVE

(False Claims to the United States)

The Grand Jury charges:

Background

1. At all times relevant to this Indictment, FRANCISCO PERALTA, a/k/a "Frank," the defendant, was a resident of the Bronx, New York. PERALTA is the former President of G.F. Capital Group, Inc., a tax preparation business that was located in the Bronx, New York.

2. At all times relevant to this Indictment, natural born citizens of the Commonwealth of Puerto Rico are, upon birth, automatically granted United States citizenship.

3. At all times relevant to this Indictment, citizens of the Commonwealth of Puerto Rico are, upon application, issued Social Security numbers by the Social Security Administration. Social Security numbers issued to people whose mailing addresses at the time of application are in Puerto Rico begin with the numbers 580, 581, 582, 583, 584, 596, 597, 598, and 599 (the

*Indictment*

"Puerto Rican SSNs").

4. At all times relevant to this Indictment, citizens of the Commonwealth of Puerto Rico who reside in Puerto Rico typically do not file tax returns with the Internal Revenue Service ("IRS") because such filing is not required as long as all of the Puerto Rico resident's income is derived from sources in Puerto Rico.

5. At all times relevant to this Indictment, tax preparers may apply to the IRS for an Electronic Filing Identification Number ("EFIN"), which permits the electronic filing of federal tax returns.

6. At all times relevant to this Indictment, tax preparers who file tax returns electronically may have a contractual arrangement with a bank to provide taxpayers with a Refund Anticipation Loans ("RALs"). A RAL is a loan made by a financial institution to a taxpayer based upon, and secured by, the taxpayer's anticipated income tax refund from the IRS. Each RAL check is electronically transmitted to the tax preparer, who then prints it on check stock issued by the bank.

#### The Fraudulent Scheme

7. From at least in or about 2003 through at least in or about 2005, FRANCISCO PERALTA, a/k/a "Frank," the defendant, engaged in a scheme to file false and fraudulent federal tax returns seeking tax refunds primarily using identification

information of citizens of Puerto Rico, including names and Puerto Rican SSNs (the "Puerto Rican identities").

8. As part of that scheme, FRANCISCO PERALTA, a/k/a "Frank," the defendant, used the identities of two individuals, without their knowledge or authorization, to obtain from the IRS at least two EFINs, which permitted the electronic filing of federal tax returns.

9. For calendar year 2003, FRANCISCO PERALTA, a/k/a "Frank," the defendant, used one of the EFIN numbers he obtained ("EFIN-1") to file at least 54 fraudulent U.S. Individual Income Tax Returns, Forms 1040 and 1040A, using the Puerto Rican identities and seeking federal tax refunds.

10. For calendar year 2004, FRANCISCO PERALTA, a/k/a "Frank," the defendant, used one of the EFIN numbers he obtained ("EFIN-2") to file at least 56 fraudulent U.S. Individual Income Tax Returns, Forms 1040 and 1040A, using the Puerto Rican identities and seeking federal tax refunds. For calendar year 2004, PERALTA used the same 54 Puerto Rican identities he used in calendar year 2003, plus two other Puerto Rican identities.

11. For each of calendar years 2003 and 2004, FRANCISCO PERALTA, a/k/a "Frank," the defendant, issued RAL checks payable to the Puerto Rican identities, which checks represented the expected value of fraudulently obtained refunds to be issued by the IRS to the Puerto Rican identities.

12. In total, for calendar years 2003 and 2004, FRANCISCO PERALTA, a/k/a "Frank," the defendant, prepared and filed at least approximately 110 fraudulent U.S. Individual Income Tax Returns by using EFIN-1 and EFIN-2, resulting in at least approximately \$310,282 in fraudulently-obtained refunds from the IRS.

Statutory Allegation

13. On or about the dates set forth below, in the Southern District of New York and elsewhere, FRANCISCO PERALTA, a/k/a "Frank," the defendant, unlawfully, willfully and knowingly did make and present to a person and officer in the civil service of the United States, and to a department and agency thereof, claims upon and against the United States, and a department and agency thereof, knowing such claims to be false, fictitious, and fraudulent, to wit, PERALTA filed and caused to be filed with the Internal Revenue Service of the United States Department of the Treasury, United States Individual Income Tax Returns, without authorization of the individuals whose names and Social Security numbers were listed on the returns, knowing that the returns, schedules and forms were false and fraudulent as to material matters, and claiming tax refunds to which the individuals were not entitled, as follows:

Count	Taxpayer	Calendar Year	Return Due Date	Amount of Fraudulently - Claimed Refund
1	Identity 1	2003	April 15, 2004	\$2,559.00
2	Identity 1	2004	April 15, 2005	\$2,663.00
3	Identity 2	2003	April 15, 2004	\$1,409.00
4	Identity 2	2004	April 15, 2005	\$1,404.00
5	Identity 3	2003	April 15, 2004	\$2,571.00
6	Identity 3	2004	April 15, 2005	\$2,663.00
7	Identity 4	2003	April 15, 2004	\$2,554.00
8	Identity 4	2004	April 15, 2005	\$2,663.00
9	Identity 5	2004	April 15, 2005	\$6,467.00
10	Identity 6	2003	April 15, 2004	\$2,546.00
11	Identity 7	2003	April 15, 2004	\$2,569.00
12	Identity 7	2004	April 15, 2004	\$2,663.00

(Title 18, United States Code, Section 287.)

**COUNT THIRTEEN**

The Grand Jury further charges:

14. The allegations set forth in paragraphs 1 through 12 are repeated and realleged as if set forth fully herein.

15. From in or about 2003, up through and including in or about 2005, in the Southern District of New York and elsewhere, FRANCISCO PERALTA, a/k/a "Frank," the defendant, unlawfully, willfully, and knowingly did transfer, possess, and use, without lawful authority, in and affecting interstate and foreign

commerce, a means of identification of another person with the intent to commit, and to aid and abet, and in connection with, an unlawful activity that constitutes a violation of Federal law, to wit, PERALTA used the names and Social Security numbers of other persons without their knowledge or permission to file false federal income tax returns that claimed refunds.

(Title 18, United States Code, Sections 1028(a)(7) and (c)(3).)

**FORFEITURE ALLEGATION**

16. As a result of committing the offense in violation of Title 18, United States Code, Sections 1028(a)(7) and (c)(3) alleged in Count Thirteen of this Indictment, FRANCISCO PERALTA, a/k/a "Frank," the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offenses, including but not limited to, at least approximately \$310,282 in United States currency, in that such sum in aggregate is property representing the amount of proceeds obtained as a result of the identity theft offense.

**Substitute Assets Provision**

17. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

(1) cannot be located upon the exercise of due diligence;

(2) has been transferred or sold to, or deposited with, a third person;

(3) has been placed beyond the jurisdiction of the Court;

(4) has been substantially diminished in value;  
or

(5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 982 and 1028.)



FOREPERSON



PREET BHARARA  
United States Attorney

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v. -

FRANCISCO PERALTA,  
a/k/a "Frank,"

Defendant.

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INDICTMENT

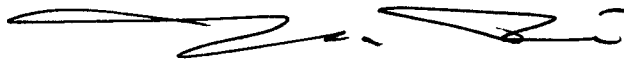
10 Cr.

(18 U.S.C. §§ 287, 1028(a)(7) &  
(c)(3).)

PREET BHARARA

United States Attorney.

A TRUE BILL



Foreperson.

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4/12/10

4-12-10  
MB

Filed indictment. Case assigned  
to Judge Berman. Ellis, USMT.